



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
TENNESSEE REAL ESTATE COMMISSION
500 JAMES ROBERTSON PARKWAY
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NASHVILLE, TENNESSEE 37243-1151
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COMMISSION POLICY STATEMENT
NUMBER: 2010-CPS-003
EFFECTIVE DATE: December 1, 2010

POLICY ON LAPSED E&O INSURANCE

Each licensee licensed by the Tennessee Real Estate Commission is required by TENN. CODE ANN. § 62-13-112 to carry errors and omissions insurance as a condition to licensing. The Commission adopts the following policy for failure to maintain errors and omissions insurance:

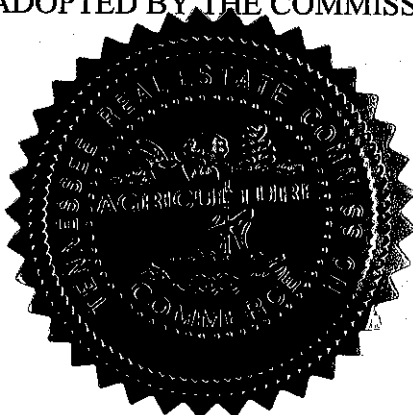
If a licensee fails to renew an errors and omissions insurance policy prior to expiration, that licensee may be subject to a civil penalty of up to one thousand dollars (\$1,000) per day for each day that licensee remains uninsured or other discipline including license suspension or revocation.

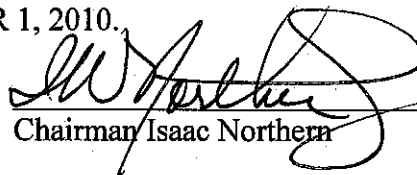
A Principal Broker who fails to ensure each affiliated licensee maintains errors and omissions insurance may be subject to civil penalty of one thousand dollars (\$1,000) per uninsured affiliated licensee. A Principal Broker may avoid penalty if he or she releases the uninsured affiliated licensee by submitting a completed TREC 1 form. The TREC 1 form must be received by the Commission prior to the 91st day after the expiration date of the uninsured affiliate broker's policy.

The names of all uninsured licensees will be published on the TREC website and in the TREC news journal. The list will include the names of all licensees uninsured as of the date of publication.

A licensee who late renews an errors and omissions policy may be subject to a lesser penalty or may not be subject to penalty, in the Commission's discretion, if the licensee obtains coverage back-dated to include the entire uninsured.

ADOPTED BY THE COMMISSION DECEMBER 1, 2010.




Chairman Isaac Northern


Executive Director Eve Maxwell